

passage and publication of this act, offer for sale, or shall sell or give away, or in any manner dispose of any spirituous, vinous, or malt liquor, or permit another for him to sell, give away, or otherwise dispose of any such liquor, without having first taken out a special license as provided for in this act, shall be guilty of a misdemeanor, and shall be fined for the first offense not less than twenty-five nor more than one hundred dollars, and for the second and each subsequent offense, shall be fined not less than fifty nor more than two hundred dollars, and in default of payment of such fines shall be imprisoned in the county jail for a period of one day for each dollar of such fine; *Provided*, That the term of such imprisonment shall in no case exceed the period of ninety days for the same offense.

SEC. 6. This act shall take effect and be in force from Act takes effect, and after its passage.

Approved March 10, 1873.

## CHAPTER XI.

### AN ACT RELATING TO MANUFACTURING CORPORATIONS.

*Be it enacted by the Legislature of the State of Minnesota :*

SECTION 1. Any number of persons, not less than three, who by articles of agreement in writing, have associated, or shall associate, according to the provisions of this act, under any name assumed by them for the purpose of carrying on any kind of manufacturing or mechanical business not incompatible with an honest purpose, and who shall comply with all the provisions of this act, shall, with their successors and assigns, constitute a body politic and corporate, under the name assumed by them in their articles of association. Who made incorporate under this act.

SEC. 2. The amount of the capital stock in every such corporation shall be fixed and limited by the stockholders in their articles of association, and shall be divided into shares of fifty dollars each, but every such corporation Of the capital stock.

may increase its capital stock, and the number of shares therein at any meeting of the stockholders specially named for that purpose.

Purpose to be stated and followed.

SEC. 3. The purpose for which every such corporation shall be established, shall be distinctly and definitely specified by the stockholders in their articles of association, and it shall not be lawful for said corporation to direct its operations or appropriate its funds to any other purpose.

Of the first meeting of stockholders.

SEC. 4. When any number of persons shall have associated according to the provisions of this act, any two of them may call the first meeting of the corporation at such time and place as they may appoint by giving notice thereof in any one or more newspapers published in the county in which such corporation is to be established, or in any adjoining county, at least fifteen days before the time appointed for such meeting. But said notice may be waived by a writing signed by all the subscribers to the capital stock of said company, specifying the time and place for said first meeting, which writing shall be entered at full length upon the records of the corporation, and the first meeting of any such corporation, which has been held pursuant to such written waiver of notice, shall be valid.

Of the directors.

SEC. 5. The stock, property, affairs, and business of every such corporation, shall be under the care of and shall be managed by not less than three directors, who shall be chosen annually by the stockholders at such time and place as shall be provided by the by-laws of said corporation, and who shall be stockholders, and shall hold their offices for one year, and until others shall be chosen in their stead.

Of the election of directors.

SEC. 6. If any election of directors, in any such corporation, shall not take place at the annual meeting thereof, in any year, such corporation shall not thereby be dissolved, but an election may be had at any time within one year, to be fixed upon and notice thereof to be given by the directors.

Organization of the board of directors.

SEC. 7. The directors of every such corporation shall choose one of their number to be president, and shall also choose a secretary and treasurer, which two last-mentioned officers shall reside and have their place of business and keep the books of said corporation within this state, and shall choose such other officers as the by-laws of the corporation shall prescribe, all which said

officers shall hold their offices until others shall be chosen in their stead.

SEC. 8. The directors of such corporation, for the time being, shall have power to fill any vacancy which may happen in their board, by death, resignation or otherwise, for the current year. Vacancies may be filled.

SEC. 9. Before any corporation, formed and established by virtue of the provisions of this act, shall commence business the president and directors thereof shall cause their articles of association to be published at full length in two newspapers published in the county in which such corporation is located, or at the capital of the state; and shall also make a certificate of the purpose for which such corporation is formed, the amount of its capital stock, the amount actually paid in, and the names of its stockholders, and the number of shares by each respectively owned, which certificate shall be signed by the president and a majority of the directors, and deposited with the secretary of this state, and a duplicate thereof with the register of deeds of the county in which said corporation is to transact its business; and said secretary and said register of deeds shall respectively record the same in books to be kept by them for that purpose; and within thirty days after the payment of any installment called for by the directors of such corporation, a certificate thereof shall be made, signed, deposited and recorded, as aforesaid. A copy of the certificate first specified in this section, certified by the secretary of this state, under the seal thereof, shall be received in all the courts in this state, as prima facie evidence of the due formation, existence and capacity of such corporation, in any suit brought by or against the same. Requirements before corporation can commence business.

SEC. 10. A majority of the directors of every such corporation, convened according to the by-laws, shall constitute a quorum for the transaction of business, and a majority of the stockholders present at any legal meeting shall be capable of transacting the business of that meeting, and at all meetings of such stockholders each share shall entitle the holder thereof to one vote. Quorum of directors.

SEC. 11. The directors may call in the subscription to the capital stock of such corporation by installments, in such proportion and at such times and places as they shall think proper, by giving such notice thereof as the by-laws shall prescribe; and in case any stockholders shall neglect or refuse payment of any such installment, for the Payment of subscriptions to capital stock.

space of sixty days after the same shall have become due and payable, and after he shall have been notified thereof, said corporation may recover the amount of said installment from such negligent stockholder in any proper action for that purpose, or may sell said stock at public auction, giving at least thirty days' notice thereof, and of the time and place of sale by advertising in some newspaper published in the county where the business of such corporation is transacted, or at the capital of the state. And in case of a sale, the proceeds thereof shall be first applied in payment of the installments called for and the expenses of the sale, and the residue shall be refunded to the owner thereof. In case the proceeds of such sale shall be insufficient to pay said installments, such corporation may recover the balance from such negligent stockholder. Such sale shall entitle the purchaser to all the right of a stockholder, to the extent of the shares so purchased.

Annual certificate  
of the corpora-  
tion affairs re-  
quired.

SEC. 12. The president and secretary of every corporation organized under the provisions of this act, shall annually make a certificate showing the condition of the affairs of such corporation, as nearly as the same can be ascertained on the first day of January, or of July, next preceding the making of such certificate, in the following particulars, viz. :

The amount of capital actually paid in; the value of its real estate; the value of its personal estate; the value of its credits; the amount of its debts; the name and number of shares of each stockholder; which certificate shall be deposited on or before the fifteenth day of February or August, with the register of deeds of the county in which said corporation transacts its business, who shall record the same at full length in a book to be kept by him for that purpose.

Powers of corpora-  
tions under this  
act.

SEC. 13. All corporations organized and established under the provisions of this act, shall be capable to sue and be sued, plead and be impleaded, answer and be answered unto, appear and prosecute to final judgment in any court or elsewhere, to have a common seal, and to alter the same at pleasure; to elect, in such manner as they shall determine, all necessary officers; to fix their compensations, and define their duties; to ordain and establish by-laws for the government and regulation of their affairs, and to alter and repeal the same; and to em-

ploy all such agents, mechanics and other laborers as they shall think proper.

SEC. 14. Every such corporation shall by its corporate name have power to acquire and hold such lands, tenements and hereditaments, and such property of every kind as shall be necessary for the purpose for said corporation; and such other lands, tenements and hereditaments as shall be taken in payment of, or as security for, debts due to such corporation, and to manage and dispose of the same at pleasure.

Corporations may own, what.

SEC. 15. The books of every such corporation containing their accounts, shall be kept, and shall at all reasonable times be open in the county where such corporation is located, or at the office of the treasurer within this state, for the inspection of any of the stockholders of said corporation, and said stockholders shall have access to the books and statements of said corporation, and shall have the right to examine the same in said county or at said office; and as often as once a year a true statement of the accounts of said corporation shall be made and exhibited to the stockholders by order of the directors.

Books of such corporations to be open for stockholders' inspection.

SEC. 16. The stock of every such corporation shall be deemed personal property, and be transferred only on the books of such corporation, in such form as the directors shall prescribe; and such corporation shall at all times have a lien upon all the stock or property of its members invested therein, for all the debts due from them to such corporation.

Stock is personal property.

SEC. 17. When any such corporation shall increase its capital stock as provided in the second section of this act, the president and directors shall within thirty days thereafter make a certificate thereof, which shall be signed, deposited and recorded, as is provided in the ninth section.

Concerning increase of capital stock.

SEC. 18. The certificate required by the ninth, twelfth and seventeenth sections of this act, shall be made under oath or affirmation, by the person subscribing the same; and if any person shall knowingly swear or affirm falsely as to any material facts, he shall be deemed guilty of perjury, and be punished accordingly.

Certificates under oath.

SEC. 19. If the president or secretary of any such corporation shall intentionally neglect or refuse to comply with the provisions of the twelfth section of this act, and to perform the duty required of them respectively, the

Penalty for neglect of officers to make certificates.

persons so neglecting or refusing, shall jointly and severally be liable to an action, founded on this statute, for all debts of such corporation contracted during the period of any such neglect or refusal.

When capital is withdrawn and debts unpaid.

SEC. 20. If the capital stock of any such corporation shall be [withdrawn] and refunded to the stockholders before the payment of all the debts of the corporation, for which such stock would have been liable, the stockholders of such corporation shall be liable to any creditor of such corporation in an action founded on this statute to the amount of the sum refunded to them respectively as aforesaid; but if any stockholder shall be compelled by any such action, to pay the debts of any creditor, or any part thereof, he shall have the right to call upon all the stockholders, to whom any part of said stock has been refunded, to contribute their proportional part of the sum paid by him as aforesaid.

When dividend is paid and corporation insolvent.

SEC. 21. If the directors of any such corporation shall declare and pay a dividend when the corporation is insolvent, or any dividend, the payment of which would render it insolvent, knowing such corporation to be insolvent, or that such dividend would render it so, the directors assenting thereto shall be jointly and severally liable in an action founded on this statute for all debts due from such corporation at the time of such dividend.

Penalty for neglect of officers to comply with provisions of act.

SEC. 22. If the president, directors or secretary of any such corporation shall intentionally neglect or refuse to comply with the provisions of this act and to perform the duties therein required of them respectively, such of them as so neglect or refuse shall be jointly and severally liable in an action founded on this statute, for all debts of such corporation contracted during the period of any such neglect or refusal.

Penalty for violation of provisions of act.

SEC. 23. If any corporation organized and established under the authority of this act shall violate any of its provisions, and shall thereby become insolvent, the directors ordering or assenting to such violation shall be jointly and severally liable in an action founded on this statute for all debts contracted after such violation as aforesaid.

Duration of the corporation.

SEC. 24. No corporation formed under the provisions of this act shall continue more than thirty years in the first instance, but it may be renewed from time to time for a period not longer than thirty years; *Provided*, That three-fourths of the votes cast at any regular meeting of the stockholders for the purpose are in favor of such renewal,

and those desiring a renewal purchase the stock of those opposed thereto at its current value.

SEC. 25. This act shall take effect and be in force from Act takes effect, and after its passage.

Approved March 7, 1873.

## CHAPTER XII.

AN ACT TO AMEND SECTION FOUR OF CHAPTER THIRTY-FOUR, ENTITLED "CORPORATIONS," IN THE GENERAL STATUTES OF EIGHTEEN HUNDRED AND SIXTY-SIX.

*Be it enacted by the Legislature of the State of Minnesota:*

SECTION 1. That section four, title one, chapter thirty-four, entitled "corporations," of the general statutes, be amended so as to read as follows:

Sec. 4. When articles are filed, recorded and published as aforesaid, the persons named as corporators therein, become a body corporate and are authorized to proceed to carry into effect the objects set forth in said articles in accordance with the provisions of this title, and shall have perpetual succession, sue and be sued by its corporate name, have a common seal, which it may alter at pleasure, may render the interest of its stockholders transferable, establish by-laws and make all rules and regulations deemed expedient for the management of its affairs in accordance with law, and not incompatible with an honest purpose; and whenever, after the adoption, filing, publication and recording of the articles of incorporation, as provided for in section three of said chapter, and the creation thereby of a body corporate, the said corporation so created shall resolve to alter, modify or change any of its articles of incorporation; such corporation may, by resolution duly passed at any regular meeting of the directors thereof, adopt a new article or articles, altering, modifying or changing any of the original articles of incorporation. *Provided*, Such alteration, modification or change shall only relate to and affect the name of

Effect of filing,  
recording and  
publishing arti-  
cles.